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beaconsmind Group acquires ICT service provider Swissnet AG and platform for AI-driven concierge services Lokalee – Merger and Group name change to Swissnet Group AG planned

- **Swissnet's total purchase price of CHF 9.7 million is financed through a combination of cash, vendor loan and locked up beaconsmind shares**
- **Committed cash capital increase of up CHF 4.8 million to finance the cash part of the transactions**
- **Total purchase price of CHF 11.6 million for Lokalee is financed by a vendor loan and the issue of new beaconsmind shares**
- **beaconsmind Group expects pro forma sales of around CHF 26-28 million and EBITDA of CHF 6-7 million in 2025 after completion of the acquisitions**
- **Swissnet CEO Boris Tölzel and Lokalee CEO Samir Abi Frem join the extended management team of the new Swissnet Group**
- **Establishment of a joint venture in the MENA region in the hospitality sector**
- **Merger of beaconsmind AG and Swissnet AG and name change to Swissnet Group planned for early 2025**

Wollerau, Switzerland - November 19, 2024 - beaconsmind Group (ISIN: CH0451123589 - Ticker: MLBMD) acquires Swissnet AG and Swissnet ICT GmbH ("Swissnet") as well as Advanced Digital Technology DWC-LLC ("Lokalee"), operator of a platform for digital concierge services. With these acquisitions, the company is accelerating its strategic realignment from a single-product company to a comprehensive IT infrastructure and SaaS solution provider and is continuing its growth trajectory with strong momentum. In addition, the Group has established a new joint venture in the MENA region to act as an ICT provider for the hospitality industry in the region. As a result of the acquisitions and the associated expansion of the offering and product portfolio, particularly in the area of cloud-based communication services, the beaconsmind Group expects revenue and EBITDA to multiply as early as 2025. To reflect its strategic growth trajectory and new group structure aimed at accelerating expansion, beaconsmind Group intends to rebrand as Swissnet Group as of early 2025.

Swissnet, based in Berg, Thurgau, Switzerland, is an ICT service provider in the DACH region and offers high-speed internet, mobile, fixed network, cloud and managed IT services. Swissnet's customers include medium-sized companies as well as large international corporations. Swissnet currently generates revenues of CHF 6.9 million and EBITDA of CHF 1.8 million, including cost synergies of ca. CHF 200 thousand. The EBITDA multiple after synergies for this transaction is 5.4x. The purchase price for Swissnet is CHF 9.7 million.

Lokalee is a SaaS hospitality platform that provides AI-driven digital concierge services. Lokalee offers users personalized recommendations for events, restaurants, activities and lifestyle services carefully selected by local insiders and global partners. The purchase price for Lokalee is CHF 11.6 million.

The beaconsmind Group has entered into the joint venture Swissnet MENA with a leading global ICT hospitality provider from the MENA region in order to better tap into the high potential of the hospitality industry. The aim is to offer first-class solutions to customers in the hospitality industry by combining the products of the beaconsmind Group and its subsidiaries and to establish a leading position as an ICT service provider for the hospitality industry in the MENA region. Lokalee and Swissnet MENA are expected to generate revenues of approximately CHF 4 million and EBITDA before synergies of approximately CHF 1 million in 2025.

The purchase price for the acquisition of Swissnet consists of a cash payment of CHF 3.5 million, a vendor loan of CHF 1.5 million with a term of 12 to 18 months and the issue of 860,000 new beaconsmind shares to the sellers. The new shares are subject to a lock-up agreement of 12 months.

To finance the cash component, beaconsmind Group plans to carry out a cash capital increase of up to CHF 4.8 million. The cash capital increase has already been committed by management, existing and new investors. The management team of Swissnet will become a major shareholder of the future Swissnet Group.

The purchase price of CHF 11.6 million for all shares in Lokalee will be financed by a new vendor loan of CHF 1.3 million with a term of 12 months and the issue of 2,075,472 new beaconsmind shares with a 12-month lock-up agreement to the sellers.

The share capital of beaconsmind AG is expected to increase by CHF 378,547.20 from CHF 469,932.60 to up to CHF 848,479.80 as a result of the cash and non-cash capital increases in the course of the transactions. Both acquisitions are expected to be closed in January 2025. The beaconsmind Group will promptly invite its shareholders to an extraordinary general meeting regarding actions requiring a resolution.

The CEO of Swissnet, Boris Tölzel, will become Co-CEO Infrastructure of the new Swissnet Group. In this position, he will, among other things, drive the upselling of the various products to the combined customer base. Samir Abi Frem will join the management team of the future Swissnet Group, continuing in his role as CEO of Lokalee. In this role, he will be responsible for the integration of artificial intelligence into existing beaconsmind Group products to further integrate the service offering.

Based on current projections, the beaconsmind Group anticipates pro forma revenues of CHF 26 to 28 million and an EBITDA of CHF 6 to 7 million at the Group level for 2025, driven by recent acquisitions and the joint venture.

Explanatory part

beaconsmind Group and Swissnet have already worked together successfully on various major projects in the past. An acquisition of the company was therefore the next logical step in the collaboration for the beaconsmind Group. Swissnet's cloud-based communication services are an excellent complement to beaconsmind's WiFi solutions. The acquisition enables beaconsmind Group to sell complementary technology solutions and combines Swissnet's ICT expertise with beaconsmind's location-based marketing technologies. beaconsmind Group expects high synergy effects and cross-selling potential as a result.

Through the acquisition of Lokalee, beaconsmind Group is integrating Lokalee's AI-driven services for hospitality clients with the hospitality platform of its subsidiary, Socialwave. beaconsmind Group now offers a fully integrated solution that creates a unique and leading AI-driven service offering for hospitality clients. With extensive database-driven systems, beaconsmind Group will deliver AI-powered insights to optimize decision making and operational efficiency across industries. By providing AI-driven solutions, beaconsmind Group will pioneer guest management and set new standards. With Lokalee, hotels not only improve their guest experience and extend their service offering beyond their facilities, but also generate additional revenue streams through commissions from in-app bookings.

Swissnet Group plans to further explore accretive acquisition opportunities, as well as delve deeper into the value chain and focus on multiple layers of growth, including organic growth through its emerging businesses, cross selling the entire product offering across all existing customers and further internationalization. Swissnet Group will only target strategic add-on acquisitions at very attractive acquisition prices of around 1x revenue and 5-7x pre-synergies EBITDA.

Jonathan Sauppe, CEO of the beaconsmind Group: "The acquisitions of Swissnet and Lokalee represent a significant milestone for the beaconsmind Group. They strengthen our infrastructure and SaaS segments and further expand our strong market position. Over the past year and a half, we have developed from a single-product company into a synergetic group. In the process, we have been able to significantly boost our growth and improve our profitability. The acquisitions will enable us to expand our customer network and make our solutions available to an even wider audience. I am delighted to welcome the CEO of Swissnet, Boris Tölzel, and the CEO of Lokalee, Samir Abi Frem, to the extended management team."

Boris Tölzel, founder and CEO of Swissnet: "I am very pleased to become part of the beaconsmind Group and to help shape this new chapter. The combination of Swissnet's ICT services with beaconsmind's existing solutions opens up enormous growth opportunities. Together we can offer our customers an even more comprehensive and innovative product portfolio. I am very confident that our combined strengths will lead to significant growth and I am particularly looking forward to working with Jonathan Sauppe and the entire team to jointly set new product standards in the areas of telecommunications infrastructure and location-based marketing."

Samir Abi Frem, founder and CEO of Lokalee: "The integration into the beaconsmind Group is crucial for Lokalee. It gives us the opportunity to roll out our AI-powered platform to a broader market. By integrating our concierge technology with beaconsmind's advanced marketing and infrastructure solutions, we are creating a unique end-to-end service offering for the hotel industry. This acquisition will enhance the guest experience and help hotels to develop new revenue streams and increase operational efficiency. I am very much looking forward to actively shaping the integration of AI into the other products of the beaconsmind family and thus unlocking the potential that this acquisition brings for our customers and stakeholders."

Webcast on November 20, 2024

A presentation on the transformative acquisitions including financial figures is available on the website www.beaconsmind.com/investor-relations/. A conference call will be held on Wednesday, November 20 at 14:00 CET. Please register at https://webcast.meetyoo.de/reg/w9gMT41WfnDp or use the dial-in number +49 30 232531173.

About the beaconsmind group / new Swissnet Group

The beaconsmind Group/ future Swissnet Group was founded in Switzerland in 2015 and is a leading provider of location-based marketing software (LBM), Wi-Fi infrastructure systems and Wi-Fi guest hotspots. The group serves customers in the retail, hospitality, healthcare and public sectors, among others. The subsidiaries under the beaconsmind group umbrella are known for their outstanding expertise in digital transformation, location-based marketing, infrastructure and Wi-Fi services with SaaS solutions. With intelligent and fully cloud-based technologies, the beaconsmind group offers its customers tangible added value and success by improving their omnichannel strategies. With the acquisition of Swissnet and Lokalee, beaconsmind Group will transform and rename itself into Swissnet Group, significantly increasing its market presence on a global basis.

Further information can be found at https://beaconsmind.com/investor-relations/

Contact Company
beaconsmind AG, Wollerau (Switzerland)

Jonathan Sauppe, CEO, Chairman of the board
jonathansauppe@beaconsmind.com
Phone: +41 78 307 45 06

Contact for business and financial press
edicto GmbH, Frankfurt (Germany)

Axel Mühlhaus/Doron Kaufmann

beaconsmind@edicto.de
Phone: +49 69 905 505-53